

35. DRY GAS INTERIM PRICE, CITY OF LONG BEACH, LONG BEACH TIDELANDS, LOS ANGELES COUNTY - W.O. 3262.

After consideration of Calendar Item 10 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO SECTION 6 OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., APPROVES AN INTERIM PRICE OF \$0.2750 PER MCF. TO BE PAID THE STATE FOR TIDELAND DRY GAS RECEIVED BY THE MUNICIPAL GAS DEPARTMENT OF THE CITY OF LONG BEACH DURING THE PERIOD AUGUST 1965 THROUGH DECEMBER 1966, PENDING FINAL PRICE DETERMINATION AND SETTLEMENT.

Attachment

Calendar Item 10 (1 page)

10.

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The Commission, at its meeting of September 26, 1966, approved a total payment of \$2,181,142.82 as the reasonable wholesale market value of tideland dry gas received by the Municipal Gas Department of the City of Long Beach for the period July 1, 1959, through January 31, 1963. This payment represents an average price of \$0.2531 per Mcf. of dry gas.

Due to a decline in tidelands gas production, no dry gas deliveries were made to the Long Beach Gas Department after January 1963 until August 1965, when, with the development of the Long Beach Unit, tidelands dry gas again became available to the Long Beach Gas Department.

As the result of a detailed study by representatives of the City and State of the factors that affect the value of dry gas, it was concurred that a price of \$0.2750 per Mcf. for dry gas attributable to the Long Beach tidelands for the period August 1965 through December 1966 represents a fair interim price, pending final settlement in the near future. Such final agreement and settlement will be based on a pricing schedule or method generally used by gas utility companies for their gas purchases in the Los Angeles Basin area.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 6 OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., APPROVE AN INTERIM PRICE OF \$0.2750 PER MCF. TO BE PAID THE STATE FOR TIDELAND DRY GAS RECEIVED BY THE MUNICIPAL GAS DEPARTMENT OF THE CITY OF LONG BEACH DURING THE PERIOD AUGUST 1965 THROUGH DECEMBER 1966, PENDING FINAL PRICE DETERMINATION AND SETTLEMENT.